

THUNDER BAY COMMUNITY FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2007

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FITZPATRICK & PARTNERS LLP
CHARTERED ACCOUNTANTS

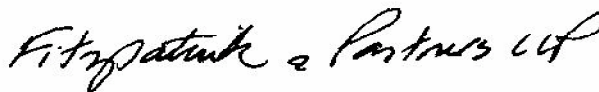
AUDITORS' REPORT

To the Board of Trustees of Thunder Bay Community Foundation -

We have audited the balance sheet of Thunder Bay Community Foundation as at December 31, 2007 and the statement of operations and fund balances for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Thunder Bay Community Foundation as at December 31, 2007 and the results of its operations and changes in its fund balances for the year then ended in accordance with Canadian generally accepted accounting principles.



Thunder Bay, Ontario
April 4, 2008

Chartered Accountants
Licensed Public Accountants

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THUNDER BAY COMMUNITY FOUNDATION
BALANCE SHEET

As at December 31	2007	2006
ASSETS		
Current		
Cash and interest-bearing bank accounts	\$ 29,535	\$ 560,298
Accounts receivable	6,095	-
GST receivable	694	508
Prepaid expenses	2,511	2,568
Marketable securities (cost - \$4,440,237; 2006 - \$3,378,398)	4,784,312	4,246,896
	\$ 4,823,147	\$ 4,810,270
LIABILITIES		
Current		
Accounts payable and accruals	\$ 8,250	\$ 4,660
Commitments for grants and scholarships	3,000	7,000
Deferred revenue	4,976	-
	16,226	11,660
FUND BALANCES		
Externally restricted	1,508,027	1,506,500
Internally restricted	207,980	202,063
Unrestricted	3,090,914	3,090,047
Special project restricted	-	-
	4,806,921	4,798,610
	\$ 4,823,147	\$ 4,810,270

 Approved on behalf of the Board



 Trustee



 Trustee

THUNDER BAY COMMUNITY FOUNDATION

STATEMENT OF OPERATIONS AND FUND BALANCES

Year ended December 31	Unrestricted General Funds		Internally Restricted Funds (Schedule 1)		Externally Restricted Funds (Schedule 2)		Special Project Restricted Fund		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
REVENUE										
Capital gains (losses) on sale of securities	\$ (13,815)	\$ 19,247	\$ (913)	\$ 1,383	\$ (6,686)	\$ 7,992	\$ -	\$ -	\$ (21,414)	\$ 28,622
Dividend income	29,015	27,035	1,916	1,941	14,046	11,226	-	-	44,977	40,202
Interest income	109,709	91,524	7,244	6,573	53,104	38,005	-	-	170,057	136,102
Unrealized gains (losses) on investments	(15,756)	48,135	(1,040)	3,456	(7,626)	19,987	-	-	(24,422)	71,578
Donation revenue (Note 3)	26,600	20,250	-	-	-	-	-	-	26,600	20,250
Grant revenue (Note 3)	-	-	-	-	-	-	23,890	-	23,890	-
	135,753	206,191	7,207	13,353	52,838	77,210	23,890	-	219,688	296,754
EXPENSES										
Office and miscellaneous	8,029	8,957	517	622	3,478	2,460	2,988	-	15,012	12,039
Professional fees	5,245	3,080	338	214	2,274	846	-	-	7,857	4,140
Promotions and publications	4,068	2,816	262	196	1,762	772	1,202	-	7,294	3,784
Wages and employee benefits	21,530	24,029	1,386	1,670	9,327	6,599	19,700	-	51,943	32,298
	38,872	38,882	2,503	2,702	16,841	10,677	23,890	-	82,106	52,261
Earnings before the following	96,881	167,309	4,704	10,651	35,997	66,533	-	-	137,582	244,493
Deduct										
Grants (Schedule 3)	59,399	83,594	-	-	12,100	19,607	-	-	71,499	103,201
Scholarships and bursaries (Schedule 3)	34,000	4,000	15,000	15,000	22,000	31,000	-	-	71,000	50,000
Total grants, scholarships and bursaries	93,399	87,594	15,000	15,000	34,100	50,607	-	-	142,499	153,201
Excess (shortfall) of revenue over expenses, grants, scholarships and bursaries	3,482	79,715	(10,296)	(4,349)	1,897	15,926	-	-	(4,917)	91,292
Fund balances, beginning of year	3,090,047	2,974,764	202,063	215,249	1,506,500	1,001,288	-	-	4,798,610	4,191,301
Capital receipts (Note 3)	6,789	8,267	2,100	3,500	4,339	504,250	-	-	13,228	516,017
Transfer from (to) other funds	(9,404)	27,301	14,113	(12,337)	(4,709)	(14,964)	-	-	-	-
Fund balances, end of year	\$ 3,090,914	\$ 3,090,047	\$ 207,980	\$ 202,063	\$ 1,508,027	\$ 1,506,500	\$ -	\$ -	\$ 4,806,921	\$ 4,798,610

THUNDER BAY COMMUNITY FOUNDATION**NOTES TO FINANCIAL STATEMENTS****Year ended December 31, 2007**

General

Thunder Bay Community Foundation (Foundation) is incorporated by a Special Act of the Province of Ontario without share capital and is a registered charity under the Income Tax Act. The objectives of the Foundation are to receive, maintain, manage, control and use donations for charitable purposes, to promote educational advancement and scientific and medical research for the increase in human knowledge in alleviation of human suffering, and to provide for such other charitable purposes relating to welfare and cultural matters as may appear to contribute to the mental, moral, cultural and physical improvement of the inhabitants of the District of Thunder Bay.

1. Summary of significant accounting policies

Fund accounting -

Thunder Bay Community Foundation uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. Resources for various purposes are classified for accounting purposes into funds whose transactions are grouped together and treated in accordance with the particular activities or objectives specified. The Foundation maintains the following Funds:

- The General Fund which reports donations received without external restrictions. Accumulated funds are to be expended for administrative and operational costs and for charitable purposes.
- The Helen L. Dewar Scholarship Fund which was established in 1990 by the Board of Trustees of the Thunder Bay Community Foundation as recognition of the funds received from the Estate of Helen L. Dewar. The intention of the Trustees is to maintain the Fund's capital account at approximately \$200,000. The Fund is used for awarding scholarships annually to any high school graduates of Thunder Bay North, Geraldton, Nipigon-Red Rock, Manitouwadge, Marathon or Terrace Bay, conditional on attendance at a Canadian University.
- The Robert Kerr Dewar M.D. Research Fund which was established in 1981 upon receipt of \$45,000. The intention of the receipt is to maintain the Fund's balance and award income generated from the Fund to medical research.
- The Joshua Dyke Family Scholarship Trust Fund which was established in 1981 from the Estate of Edyth Dyke. The intention of the Trustees is to maintain the Fund's capital account at approximately \$200,000. The Fund is to be used for awarding five scholarships annually to any high school or collegiate graduates of Thunder Bay South, and is conditional on attendance at a Canadian University.

THUNDER BAY COMMUNITY FOUNDATION**NOTES TO FINANCIAL STATEMENTS****Year ended December 31, 2007**

1. Summary of significant accounting policies (continued)

- The Ontario Endowment for Children and Youth in Recreation Program was established in 2000 by the Government of Ontario to support projects for children and youth. The Program has matched dollar-for-dollar eligible donations provided by the Foundation.
- The J. A. McLean Scholarship Trust Fund was established in 2001 upon receipt of \$60,000 from the Estate of Jean E. Alexander McLean. The initial funds are to be maintained as a separate trust fund. The Fund is to be used for awarding a scholarship annually to any secondary school graduate of Thunder Bay who will be qualifying to become a teacher.
- The Dr. S. Penny Petrone Grant Fund was established in 2003 to be used to help the disabled in Thunder Bay.
- The Ross A. Wilson Education Fund was established in 2003 upon receipt of \$250,000 from Ross A. Wilson. The initial funds are to be maintained in a separate trust fund. The Fund is to be used for awarding scholarships to graduates of Hammarskjold High School who have excelled in science, and is conditional on attendance at a Canadian University.
- The Named Fund was established in 2006 upon receipt of the first amount of designated funds from a named donor. Named funds are combined for financial statement purposes. The use of individual Named Funds have been externally restricted by the donor.
- The Geraldine Ruth Rogers Scholarship Fund was established in 2006 upon receipt of \$450,000 from Roy Seymour Rogers. The initial funds are to be maintained in a separate trust fund. The Fund is to be used to benefit students in the Districts of Thunder Bay, Rainy River and Kenora who are continuing their education at a University, with preference to applicants who are descendants of Mr. Rogers' paternal grandparents.
- The President's Fund was established in 2006 upon receipt of \$2,000 from various trustees. The initial funds are to be maintained in a separate trust fund. The Fund is to be used to support operational expenses of the Foundation.
- The Special Projects Restricted Fund was established to maintain a separate trust fund for specific operational endeavours by the Foundation for which the Foundation has received specific funding.

THUNDER BAY COMMUNITY FOUNDATION**NOTES TO FINANCIAL STATEMENTS****Year ended December 31, 2007**

1. Summary of significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. The Foundation uses the settlement date for valuing investment purchases and sales, as opposed to the trade date.

Held for trading

Financial assets and financial liabilities that are acquired or incurred principally for the purpose of generating profits in the near term are classified as held for trading. These instruments are accounted for at fair value based on market prices, with the change in fair value recognized in net income for the period. The Foundation has classified cash, interest bearing bank accounts and marketable securities as held for trading.

Receivables and liabilities

The Foundation has classified accounts receivable, GST receivable, accounts payable and accruals and commitments for grants and scholarships as receivables and liabilities. These instruments are accounted for at cost.

The carrying value of accounts receivable, GST receivable, accounts payable and accruals and commitments for grants and scholarships approximates their fair values due to the immediate or short-term maturity of these financial instruments.

The Foundation is exposed to interest rate risk arising from fluctuations in interest rates on its marketable securities. The Foundation is not exposed to significant currency or credit risks arising from its financial instruments.

THUNDER BAY COMMUNITY FOUNDATION**NOTES TO FINANCIAL STATEMENTS****Year ended December 31, 2007**

1. Summary of significant accounting policies (continued)

Revenue recognition

The Foundation follows the restricted fund method for accounting for contributions. Restricted contributions are recognized as revenue in the appropriate restricted fund in the year received or receivable if the amount can be reasonably estimated and collection can be reasonably assured. Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Investment income includes dividends, interest income and realized and unrealized investment gains and losses. Realized investment income is recognized when earned. Unrealized gains and losses on financial assets classified as held for trading are recorded to reflect changes in the Fair Market Value of these assets. Investment income is allocated proportionately amongst all Funds based on the average fund balance and capital contributions for the year. Donation revenue is recognized in the year received and is allocated to the Fund for which the donation was intended. Special project funding is recorded as it is earned under the terms of the funding agreements.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Expense allocations

Expenses of the Foundation are allocated proportionately between all Funds with the exception of the Ontario Endowment for Children and Youth in Recreation Program (OECYR Program), based on average fund balance including investment income and scholarships, grants and bursaries for the year. Expenses of the OECYR Program are limited to 1.5% of the value of the Fund.

THUNDER BAY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2007

2. Fund balances

	2007			2006
	Capital Contributions	Accumulated Surplus (deficit)	Total	Total
Externally restricted				
Named Grant and Scholarship Fund	\$ 6,839	\$ 214	\$ 7,053	\$ 464,017
Geraldine Ruth Rogers Scholarship Fund	450,000	24,593	474,593	2,578
Robert Kerr Dewar M.D. Research Fund	45,000	93,039	138,039	134,964
Joshua Dyke Family Scholarship Trust Fund	200,000	(2,521)	197,479	200,000
Ontario Endowment for Children and Youth in Recreation Program	234,452	(1,251)	233,201	247,161
J. A. McLean Scholarship Trust Fund	60,000	9,134	69,134	70,540
Dr. S. Penny Petrone Grant Fund	90,000	8,880	98,880	100,118
Ross A. Wilson Education Fund	250,000	39,648	289,648	287,122
	1,336,291	171,736	1,508,027	1,506,500
Internally restricted				
Helen L. Dewar Scholarship Fund	170,132	35,639	205,771	200,000
President's Fund	2,100	109	2,209	2,063
	172,232	35,748	207,980	202,063
Unrestricted				
General	2,353,168	737,746	3,090,914	3,090,047
	\$ 3,861,691	\$ 945,230	\$ 4,806,921	\$ 4,798,610

THUNDER BAY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2007

3. Grant revenue, capital receipts and donation revenue

Grant revenue consists of the following:

	<u>2007</u>	<u>2006</u>
Industry Canada - FedNor	\$ 13,365	\$ -
The Ontario Trillium Foundation	10,525	-
	<u>\$ 23,890</u>	<u>\$ -</u>

Donated capital receipts consist of the following:

	<u>2007</u>	<u>2006</u>
Dr. Ian Sewell	\$ 2,000	1,500
Susan McCartney	200	-
Estate of Arthur William Widnall	5,939	-
Alfred Petrone	500	-
Brenda Reimer	250	-
Mary Morrison	150	-
D. Kraft	-	500
Nelson Family	-	2,000
Miscellaneous General Fund Donations	-	8,267
D. Ferris	-	500
P. Wolfe	100	500
G. Morrison	-	500
Estate of Roy Rogers	-	450,000
Estate of Penny Petrone	-	45,000
Rev. George Bourguignon	989	-
United Way/Bearskin Airlines	2,500	-
United Way/Cliff Friesen	500	7,250
Allison Parsons	100	-
	<u>\$ 13,228</u>	<u>\$ 516,017</u>

Donation revenue consists of the following:

	<u>2007</u>	<u>2006</u>
Dr. Stephen Morton family and friends	\$ -	\$ 20,250
Marathon Pulp Inc.	6,600	-
Medtronic of Canada Ltd.	20,000	-
	<u>\$ 26,600</u>	<u>\$ 20,250</u>

THUNDER BAY COMMUNITY FOUNDATION**NOTES TO FINANCIAL STATEMENTS****Year ended December 31, 2007**

4. Statement of cash flows

A statement of cash flows is not presented as the information is disclosed elsewhere in the financial statements and would not provide any additional useful information.

5. Commitment

The Foundation has committed to allocate up to \$500,000 of unrestricted general funds towards a matching program, where the Foundation will match specific contributions received from other charitable organizations. The income earned from the contributions and matched portions will be allocated to the charitable organization. At December 31, 2007, donations received by the Foundation to be matched with unrestricted general funds is \$Nil.

THUNDER BAY COMMUNITY FOUNDATION

Schedule 1

INTERNALLY RESTRICTED FUNDS

Year ended December 31, 2007

	Helen L. Dewar Scholarship Fund	President's Fund	Total
REVENUE			
Capital losses on sale of securities	\$ (903)	\$ (10)	\$ (913)
Dividend income	1,896	20	1,916
Interest income	7,168	76	7,244
Unrealized losses on investments	(1,029)	(11)	(1,040)
	7,132	75	7,207
EXPENSES			
Office and miscellaneous	511	6	517
Professional fees	334	4	338
Promotions and publications	259	3	262
Wages and employee benefits	1,370	16	1,386
	2,474	29	2,503
Earnings before the following	4,658	46	4,704
Deduct			
Scholarships and bursaries	15,000	-	15,000
Excess (shortfall) of revenue over expenses, grants, scholarships and bursaries	(10,342)	46	(10,296)
Fund balances, beginning of year	200,000	2,063	202,063
Capital receipts	2,000	100	2,100
Transfer from other funds	14,113	-	14,113
Fund balances, end of year	\$ 205,771	\$ 2,209	\$ 207,980

THUNDER BAY COMMUNITY FOUNDATION

Schedule 2

EXTERNALLY RESTRICTED FUNDS

Year ended December 31, 2007

	Named Grant and Scholarship Fund	Geraldine Ruth Rogers Scholarship Fund	Robert Kerr Dewar M.D. Research Fund	Joshua Dyke Family Scholarship Trust Fund	Ontario Endowment for Children and Youth in Recreation Program	J. A. McLean Scholarship Trust Fund	Dr. S. Penny Petronne Grant Fund	Ross A. Wilson Education Fund	Total
REVENUE									
Capital losses on sale of securities	\$ (21)	\$ (2,098)	\$ (610)	\$ (870)	\$ (1,041)	\$ (312)	\$ (445)	\$ (1,289)	\$ (6,686)
Dividend income	45	4,407	1,282	1,828	2,186	656	934	2,708	14,046
Interest income	171	16,662	4,846	6,912	8,264	2,479	3,532	10,238	53,104
Unrealized losses on investments	(24)	(2,393)	(696)	(993)	(1,187)	(356)	(507)	(1,470)	(7,626)
	171	16,578	4,822	6,877	8,222	2,467	3,514	10,187	52,838
EXPENSES									
Office and miscellaneous	7	1,240	361	495	180	180	259	756	3,478
Professional fees	5	810	236	324	118	118	169	494	2,274
Promotions and publications	4	628	183	251	91	91	131	383	1,762
Wages and employee benefits	19	3,324	967	1,328	484	484	693	2,028	9,327
	35	6,002	1,747	2,398	873	873	1,252	3,661	16,841
Earnings before the following	136	10,576	3,075	4,479	7,349	1,594	2,262	6,526	35,997
Deduct									
Grants	-	-	-	-	8,600	-	3,500	-	12,100
Scholarships and bursaries	-	-	-	15,000	-	3,000	-	4,000	22,000
Total grants, scholarships and bursaries	-	-	-	15,000	8,600	3,000	3,500	4,000	34,100
Excess (shortfall) of revenue over expenses, grants scholarships and bursaries	136	10,576	3,075	(10,521)	(1,251)	(1,406)	(1,238)	2,526	1,897
Fund balances, beginning of year	2,578	464,017	134,964	200,000	247,161	70,540	100,118	287,122	1,506,500
Capital receipts	4,339	-	-	-	-	-	-	-	4,339
Transfer from (to) other funds	-	-	-	8,000	(12,709)	-	-	-	(4,709)
Fund balances, end of year	\$ 7,053	\$ 474,593	\$ 138,039	\$ 197,479	\$ 233,201	\$ 69,134	\$ 98,880	\$ 289,648	\$ 1,508,027

THUNDER BAY COMMUNITY FOUNDATION

Schedule 3

GRANTS, SCHOLARSHIPS AND BURSARIES
Year ended December 31, 2007

GRANTS

	<u>2007</u>	<u>2006</u>
AIDS Thunder Bay	\$ 3,500	\$ 2,500
Alzheimer Society	-	4,000
Arthritis Society	5,000	-
Canadian National Institute for the Blind	-	1,850
Canadian Red Cross	-	600
Community Arts and Heritage Education Project	-	2,000
Drug Awareness Committee	2,400	2,400
Fair Start	-	1,000
George Jeffrey Children's Centre	3,500	5,000
HAGI Community Service for Independence	-	6,152
Hospice Northwest	-	1,717
Independent Living Resource Centre	-	1,800
John Howard Society (The)	5,275	5,000
Lakehead Search and Rescue Unit Inc.	10,000	-
Northwestern Ontario Science Fair	2,000	-
Operation Hope	-	1,600
Our Kids Count	-	4,500
Salvation Army (The)	2,000	1,900
St. John's Ambulance Thunder Bay	5,000	-
St. Joseph's Foundation of Thunder Bay	-	4,000
Thunder Bay Boys and Girls Club	4,000	-
Thunder Bay Breast Feeding Coalition	-	1,050
Thunder Bay Historical Museum Society	4,000	-
Thunder Bay Symphony Orchestra Association Inc.	6,360	-
Thunder Bay Youth Symphony Orchestra	900	-
United Way Thunder Bay	4,064	-
Volunteer Thunder Bay	-	3,500
Wesway	4,900	2,775
Lakehead University - Dr. Stephen Morton	-	30,250
	<hr/> 62,899 <hr/>	<hr/> 83,594 <hr/>

THUNDER BAY COMMUNITY FOUNDATION

Schedule 3

GRANTS, SCHOLARSHIPS AND BURSARIES (continued)
Year ended December 31, 2007

GRANTS (continued)

	<u>2007</u>	<u>2006</u>
Ontario Endowment for Children and Youth in Recreation Program		
Canadian Mental Health Association	-	1,100
Community Arts and Heritage Education Program	3,000	-
Harbour Youth Services	600	1,075
Kiwanis Playcare Centre	-	5,000
Little Lions Waldorf Daycare and Kindergarten	-	2,000
Northwestern Ontario Regional Science Fair	-	2,000
Our Kids Count	2,000	-
PRO Kids Thunder Bay	-	4,322
Thunder Bay Boys and Girls Club	-	2,000
Thunder Bay Symphony Orchestra	3,000	-
Wesway	-	2,110
	8,600	19,607
Total grants	71,499	103,201
SCHOLARSHIPS AND BURSARIES		
General Fund	34,000	4,000
Helen L. Dewar Scholarship Fund	15,000	15,000
J. A. McLean Scholarship Trust Fund	3,000	3,000
Joshua Dyke Family Scholarship Trust Fund	15,000	15,000
Ross A. Wilson Education Fund	4,000	8,000
Robert Kerr Dewar M.D. Research Fund	-	5,000
Total scholarships and bursaries	71,000	50,000
Total grants, scholarships and bursaries	\$ 142,499	\$ 153,201
